



Fund Thyself

Posted by **Pierluigi Oliverio** on Monday, March 31, 2008

A month ago I drafted a memo that would expand the city's ordinance to allow Community Benefit Improvement Districts (CBID). This is not an original idea, nor is it cutting edge. In fact it's embarrassing that the City of San Jose didn't jump on this opportunity sooner. Other major players who have implemented CBIDs successfully include, but are not limited to, San Francisco (Japantown), Oakland (Koreatown), Los Angeles (Chinatown) and San Diego (Little Italy). CBIDs are similar to a Property and Business Improvement District (PBID), where landowners vote to assess themselves to pay for services in a geographic area. Downtown San Jose just formed a PBID to provide cleaning services. Recently, the Mercury News published an article about the guys on machines cleaning the sidewalks in the downtown as a result of its newly implemented PBID.

CBIDs provide greater flexibility in the formation and operation of such predefined business and residential districts. They allow commercial and residential property owners to participate, and allow for longer initial terms for assessments so that CBIDs may borrow much like cities borrow on bonds.

In the paradigm of restricted resources, where municipalities (like San Jose) do not have budgets to take care of value added services to business districts, the least San Jose can do is provide options where property owners may organize and take care of their own needs. I am a firm believer that the city needs to provide options that allow property owners to assess themselves so that they can raise funds by "taxing" themselves appropriately in order to provide for themselves.

Many people may not realize this, but Lincoln Avenue, the "main drag" for pedestrians in Willow Glen and one of the city's famous destination points, does not receive annual funding from the Redevelopment Agency (RDA). Lincoln Avenue is currently home to the Business Improvement District (BID), where business owners pay a yearly fee to fund for Founders Day, Dancing on the Avenue and other expenses they pay on their own. However, that may soon change.

Property owners on Lincoln Avenue have been waiting for over three years to implement a CBID, and they are moving forward with forming their CBID as I write this. A CBID can be formed anywhere in city of San Jose, now that the council has approved the new ordinance. With CBIDs, even residential areas may “tax” themselves for funding items like antique lights, landmarks, signage, and tree plantings among others things.

Adopting another option for our small business districts is a good thing and it does not cost the city money. In fact, CBIDs might just save the city money and generate tax revenue. With districts able to raise money to keep their streets clean, market regularly and provide other amenities to their area, more people will come and shop. With people spending money on items (physical objects), a portion of sales tax revenue will go directly to the city’s General Fund.

CBIDs will not fix the structural deficit, but providing property owners another option that has been successful in other major cities across the United States just might be a good thing for San Jose as well.

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